

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Cooperative Sugar Factories in A.P – Modernization and Expansion Programme for Chodavaram and Kovur Cooperative Sugar Factories with Estimated cost escalation of Rs.978.75 Lakhs on the project cost - orders – Issued.

INDUSTRIES AND COMMERCE (SUGAR) DEPARTMENT

G.O.Ms.No. 316

Dated: 29-11-2008.

Read the following:-

1. G.O.Rt.No.92 I&C (Sugar) Deptt., dated 13-02-08
2. G.O.Rt.No.93 I&C (Sugar) Deptt., dated 13-02-08
3. G.O.Rt.No.94 I&C (Sugar) Deptt., dated 13-02-08
4. G.O.Rt.No.95 I&C (Sugar) Deptt., dated 13-02-08
5. G.O.Rt.No.221 I&C (Sugar) Deptt., dated 15-03-08
6. The Commr. of Sugar & Cane Commr, Hyd., Lr. Rc. No. 2010/2008/D1, dated: 19.07.2008.
7. The Commr. of Sugar & Cane Commissioner, Lr. Rc. No..2010 /2008/D1, dated 15-09-08.

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ORDER:-

In the reference 1st to 4th read above, orders were issued conveying the acceptance of State Government to the terms & conditions as stipulated by National Cooperative Development Corporation, New Delhi and for release of loan amount for Modernisation and expansion programme to the following Cooperative Sugar Factories:-

| S.No. | Name of the C.S.F. | Loan Amount for modernization (Rs.in lakhs) | Govt Orders |
|-------|--------------------|---|--------------------------|
| 1 | Chodavaram | 1223.00 | G.O.Rt.No.93, dt.3-12-08 |
| 2 | Thandava | 1502.00 | G.O.Rt.No.92, dt.3-12-08 |
| 3 | Kovur | 1042.50 | .O.Rt.No.94, dt.3-12-08 |
| 4 | Sri Venkateswara | 1712.50 | G.O.Rt.No.95, dt.3-12-08 |
| | TOTAL | 5480-00 | |

2. In the reference 5th read above, sanction was accorded for an amount of Rs.13.70 crores as 25% of the loan portion of the NCDC. (out of the total loan amount of Rs.5480.00 lakhs) which will be reimbursed by the NCDC to State Govt., towards, expenditure for revival and restructuring of the above said (4) CSFs., during the year 2007-2008 in relaxation of Treasury control and quarterly Regulation orders pending provision of funds by obtaining supplementary Grant immediately in the current financial year 2007-08. This amount was transferred to the 4 CSFs and kept in a separate Account as per the terms and conditions of NCDC., New Delhi.

3. The Commissioner of Sugar and Cane Commissioner, AP., Hyderabad. In his letters 6th & 7th read above has informed that as per the decision taken in the meeting held on 14.02.08 & 04.03.08 by the Hon'ble Minister, Sugar, the Technical team consisting of Advisor of CSFs, consultant on mills, consultant on co-generation and senior sugar technologies of National Federation have visited the 4 C S F s and submitted the revised project cost for an amount of Rs.204.07 crores as against Rs.223.39 crores prepared earlier by them which is Rs.94.47 crores higher than the project cost approved by the NCDC., New Delhi (i.e 85% increased).

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4. The Commissioner of Sugar and Cane Commissioner, AP., Hyderabad. has submitted the details of the recent cost escalation and other related increase input cost is as under:-

(Rs in lakhs)

| Sl.No | Name of the CSF | Estimated Cost by NFCSFs Ltd., as Per DPR | Cost appProved by N.C.D.C. | Final Estimated ProjectCost on 14-07-2008 | Differences (5-4) | % of increase |
|-------|---------------------|---|----------------------------|---|-------------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. | Chodavaram | 2568.00 | 2446.00 | 2973.75 | 527.75 | 21.58 |
| 2. | Thandava | 3108.00 | 3004.00 | 4500.00 | 1496.00 | 49.80 |
| 3. | Kovur | 2246.00 | 2085.00 | 2536.00 | 451.00 | 21.63 |
| 4. | Sri Venka – teswara | 3443.00 | 3425.00 | 5134.00 | 1709.00 | 49.90 |
| | TOTAL: | 11365.00 | 10960.00 | 15143.75 | 4183.75 | 38.17 |

5. In view of the Estimated cost escalation as indicated above (shown at column 5 of the Statement), the Commissioner of Sugar and Cane Commissioner has request of the Government to consider the following alternatives for implementing the Expansion & Modernization Programme:-

A) To accord approval for Modernization and Expansion Programme for Chodavaram CSF & Kovur CSFs which are going for Co-generation only initially along with Estimated cost escalation of Rs.978.75 Lakhs (i.e., Estimated Cost escalation of Rs.5509.75 Lakhs – Cost approved by NCDC of Rs.4531.00 Lakhs)

OR

B) To accord approval for implementing Modernization and Expansion Programme of 4 Cooperative Sugar Factories i.e Chodavaram, Kovur, Sri Venkateswara & Thandava Cooperative Sugar Factories along with Estimated cost escalation of Rs.4183.75 Lakhs on project cost (i.e., Estimated Cost escalation of Rs.15143.75 Lakhs - Cost approved by NCDC of Rs.10960.00 Lakhs)

6. Government have decided to take up Modernization and Expansion Programme initially for Chodavaram Cooperative Sugar Factory, & Kovur Cooperative Sugar Factory, which are going for Co-generation only, with Estimated cost escalation of Rs.978.75 Lakhs on the project cost.

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7. Accordingly, Government hereby order to take-up the Modernization and Expansion Programme initially for Chodavaram Cooperative Sugar Factory, & Kovur Cooperative Sugar Factory which are going for Co-generation only, along with Estimated cost escalation of Rs.978.75 Lakhs on the project cost (i.e., Estimated Cost escalation of Rs.5509.75 Lakhs – Cost approved by NCDC of Rs.4531.00 Lakhs) subject to condition that current reduced market rates of steel and cement are taken into account for cost escalation.

8. The Commissioner of Sugar and Cane Commissioner, A P., Hyderabad is requested to take necessary action for early implementation of Modernisation programme of the said two (2) Cooperative Sugar Factories.

9. This order issues with the concurrence of Finance (Expr. I&C) Department vide their U.O.No.7381/431/Expr.I&C/08 Dated: 28/08/2008

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAMBOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER, INDUSTRIAL PROMOTION

To

The Commissioner of Sugar and Cane Commissioner,
AP., Hyderabad.

Copy to:

The Managing Director, National Cooperative Development
Corporation, Hauz Khas, New Delhi – 110016.

The concerned Cooperative Sugar Factories through
the Commissioner of Sugar and Cane Commissioner,
AP., Hyderabad.

The Accountant General, AP., Hyderabad

The Pay and Accounts Officer, Hyderabad

The District Treasury Officer,

The Finance (DMC) Department.

The PS to Min. for Sugar

The PS to Prl. Secy & CIP., I&C Departments

SF/SCs.

//FORWARDED: BY ORDER//

SECTION OFFICER